



For this month's TrustIndiana newsletter, we thought we would answer some Frequently Asked Questions about the various aspects of local government investment pools (LGIPs), such as TrustIndiana. We hope you find them informative and we are always happy to answer any further questions you may have.

Who is managing our money?

The administrator for TrustIndiana is Cutwater Asset Management, a fixed income money manager. Cutwater manages over \$40 billion in assets, including more than \$10 billion for LGIPs. The firm has over 20 years of experience in the fixed income market place and is one of the top 100 global money managers in terms of total assets under management.*

What makes it a safe investment?

TrustIndiana is managed in accordance with Indiana state statutes that are specifically designed to minimize risk and maximize safety. Safety is further enhanced by limiting the term of specific investments, asset class diversification, as well as the weighted average maturity of the entire portfolio in order to correspond conservatively with cash flow expectations and to mitigate any market timing risk. Fifty percent of TrustIndiana's portfolio is required to be deposited in Indiana bank deposit accounts that are insured by both the FDIC and the Indiana Public Deposit Insurance Fund. The Public Deposit Insurance Fund, administered by the Indiana Board for Depositories, insures public money properly placed on deposit in approved depositories in the event of bank failure.

What is the NAV?

The NAV, or net asset value, is essentially the value per market share. The goal of LGIPs is to keep the NAV at \$1.00 in an attempt to ensure safety and liquidity. If the NAV slips below \$1.00 per share, then the portfolio has "broken the buck," which means the investor will have incurred a loss that can, in turn, cause a run on the fund that prevents

the fund from maintaining its liquidity. Fortunately, this is a rare event, however it has occurred, at other funds, during the recent credit crisis. TrustIndiana is proud to say that no TrustIndiana Participant has ever lost principle or interest.**

What is WAM?

WAM, or weighted average maturity, is the average length of time to maturity of the securities in the portfolio. Because liquidity is such an important aspect of LGIPs, a short WAM is a prime goal. Recently the SEC restricted the WAM for pools and other 2a7-like funds to be no longer than 60 days, partly due to the "broken buck" scenario that unfolded a few years ago at the height of the credit crisis. TrustIndiana typically has a weighted average maturity of 50 days or less.

What is the Credit Review Process for TrustIndiana?

TrustIndiana's administrator, Cutwater Asset Management, focuses entirely within the fixed income marketplace. Each Cutwater credit analyst is responsible for specific sectors and issuers within a sector, such as banking institutions. The Cutwater credit group states that it utilizes this deep credit sector knowledge base and experience for developing the pool's approved bank deposit, commercial paper and asset-backed commercial paper purchase lists in accordance with the investment policy. The analysts use a number of analytical tools to develop these lists, including a vast array of software programs. When the approved list is created, the issuers are monitored on a daily basis. Since safety is such a priority, the approved list contains only securities issued by highly-rated companies and entities. The credit analysts actively manage the approved list to anticipate any ratings or credit challenges to the issuer.

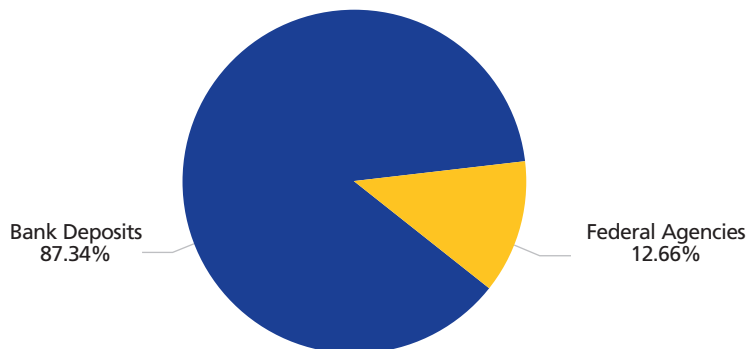
Sincerely,



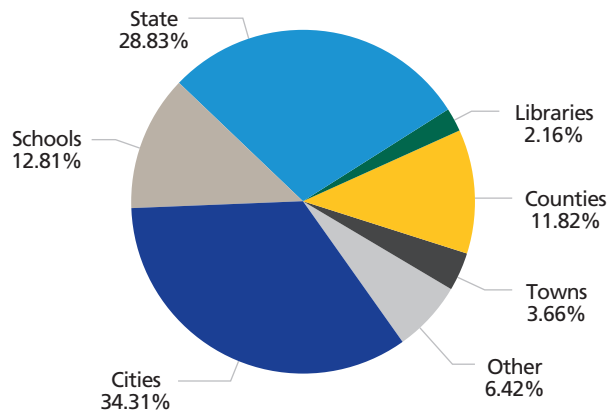
Richard Mourdock, Indiana State Treasurer

Fund Highlights as of September 30, 2010:

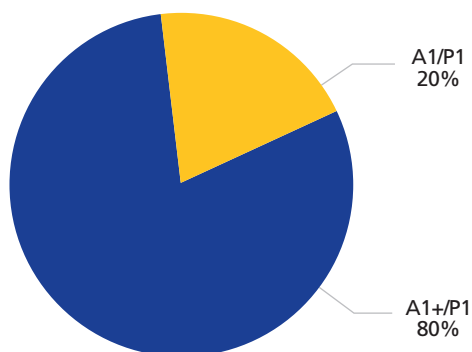
Portfolio Composition



Participant Breakdown (in units)

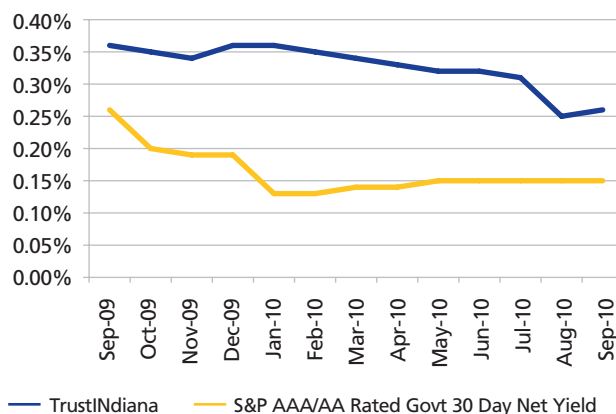


Investment Credit Quality



TrustIndiana vs S&P AAA/AA GIP

(30 Day Avg Yields)



Month	Avg Daily Yields	WAM	NAV	Month Ending Net Assets
Jun-10	0.32%	30 Days	1.0000	\$592,100,321
Jul-10	0.31%	29 Days	1.0000	\$633,812,898
Aug-10	0.25%	29 Days	1.0000	\$636,037,175
Sep-10	0.26%	38 Days	1.0000	\$631,698,153



TrustIndiana

Office of the Treasurer of Indiana
242 State House, 200 W Washington St.
Indianapolis, IN 46204
www.trustindiana.in.gov

